

Message Text

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TO ALL DIPLOMATIC POSTS PRIORITY

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USIAEA

E.O. 11652: N/A

TAGS: PARM, TECH

SUBJECT: NPT ADHERENCE AND US PEACEFUL NUCLEAR
COOPERATION INITIATIVE

1. ON JUNE 9, AMBASSADOR ANDREW YOUNG SPOKE BEFORE THE UNITED NATIONS SPECIAL SESSION ON DISARMAMENT CALLING FOR UNIVERSAL ADHERENCE TO THE NON-PROLIFERATION TREATY (NPT). AMBASSADOR YOUNG USED THIS OCCASION TO DETAIL A US INITIATIVE FOR NUCLEAR COOPERATION FIRST ANNOUNCED BY VICE PRESIDENT MONDALE ON MAY 24 WHICH GIVES PREFERENCE TO NPT PARTIES IN THE DEVELOPING WORLD.

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2. AMBASSADOR YOUNG ANNOUNCED THAT CONGRESSIONAL SUPPORT WILL BE ASKED FOR THE FOLLOWING MEASURES:

A. ESTABLISHMENT OF A \$5 MILLION TRUST PROGRAM UNDER THE IAEA FOR DEVELOPING COUNTRIES PARTY TO THE NPT. THIS PROGRAM WILL AUTHORIZE UP TO \$1 MILLION ANNUALLY FOR 5 YEARS AND WILL BE FOR THE SOLE USE OF DEVELOPING COUNTRIES PARTY

TO THE NPT. THE PROPOSED PROGRAM COULD BE USED TO PROVIDE FUNDS FOR THE PURCHASE OF US EQUIPMENT, PROVISION OF US EXPERTS, TRAINING IN THE US, ETC. UNDER IAEA AUSPICES. THESE FUNDS COULD BE FOR RADIOISOTOPES (AND ASSOCIATED EQUIPMENT, TRAINING AND EXPERTISE) FOR MEDICINE, AGRICULTURE, INDUSTRY, AND OTHER PURPOSES, AS THIS WOULD SPREAD THE BENEFITS TO THE LARGEST NUMBER OF COUNTRIES. OTHER USES OF THE MONEY MIGHT INCLUDE ASSISTANCE IN SAFETY, PHYSICAL SECURITY AND ENVIRONMENTAL PROTECTION FOR POWER REACTORS; ASSISTANCE IN PROSPECTING AND MINING OF URANIUM AND THORIUM; SUPPLY OF RESEARCH REACTORS; AND OTHER SIMILAR PURPOSES.

B. A SIMILAR AUTHORIZATION OF \$5 MILLION OVER 5 YEARS TO PROVIDE 20 PERCENT ENRICHED URANIUM FUEL FOR RESEARCH REACTORS THROUGH IAEA WITH PREFERENCE GIVEN TO DEVELOPING COUNTRIES PARTY TO THE NPT. THIS PROPOSAL WOULD ENCOURAGE THE USE OF LOW ENRICHED URANIUM IN RESEARCH REACTORS BY PROVIDING 20 PERCENT ENRICHED URANIUM TO NPT LDCS WITHOUT COST. EXCEPTIONS WOULD BE ALLOWED ON A CASE-BY-CASE BASIS IF IT SERVED THE GOAL OF SIGNIFICANTLY REDUCING THE LEVEL OF ENRICHMENT IN FUEL CURRENTLY UTILIZED IN RESEARCH REACTORS.

C. PROVISION OF UP TO \$1 MILLION ANNUALLY IN FUEL CYCLE SERVICES TO ASSIST COUNTRIES IN THE USE OF LOWER ENRICHED LIMITED OFFICIAL USE

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URANIUM LEVELS IN RESEARCH REACTORS. TO COMPLEMENT (B) ABOVE THE US WILL FURTHER OFFER TO SET ASIDE \$1 MILLION ANNUALLY FOR 5 YEARS PRINCIPALLY FOR THE PURPOSE OF PROVIDING NATIONS WITH FUEL FABRICATION SERVICES FOR LEU FUEL IN THOSE CASES WHERE IT WOULD RESULT IN THE USE OF LOWER ENRICHMENT LEVELS IN RESEARCH REACTORS. THESE SERVICES WOULD NOT BE LIMITED TO NPT PARTIES.

3. AMBASSADOR YOUNG ALSO TOOK THE OCCASION TO STRONGLY REAFFIRM US WILLINGNESS TO FINANCE APPROPRIATE NUCLEAR PROJECTS THROUGH THE EXPORT-IMPORT BANK FOR COUNTRIES WHICH MEET OUR NON-PROLIFERATION REQUIREMENTS WITH PREFERENCE GIVEN TO NPT PARTIES. IN ADDITION, HE WELCOMED THE RECENT STATEMENTS BY TURKEY AND INDONESIA THAT THEY WILL RATIFY THE NPT.

4. POSTS MAY AT APPROPRIATE TIME INFORM HOST GOVERNMENTS OF PROPOSAL'S CONTENTS. POSTS SHOULD EMPHASIZE THAT CONGRESSIONAL AUTHORITY MUST BE OBTAINED FOR THE PROPOSALS OUTLINED IN PARA 2. POSTS MAY DRAW UPON THE FOLLOWING CONTINGENCY QUESTIONS AND ANSWERS AS APPROPRIATE:

Q: WHAT DOES THE US HOPE TO ACCOMPLISH BY THIS INITIATIVE?

A: WE ARE INTERESTED IN DEMONSTRATING FURTHER EVIDENCE OF US WILLINGNESS TO COOPERATE IN THE PEACEFUL USES OF NUCLEAR ENERGY -- PARTICULARLY WITH THE DEVELOPING COUNTRIES. IN ADDITION, THESE MEASURES ARE DESIGNED TO ADVANCE THE IAEA'S ROLE IN ADMINISTERING SUCH ASSISTANCE; STRENGTHEN THE NPT; AND PROVIDE POSITIVE INCENTIVES TO COUNTRIES TO MINIMIZE THE USE OF WEAPONS-USABLE HIGHLY ENRICHED URANIUM.

Q: WHEN WILL THESE NEW PROGRAMS BECOME EFFECTIVE?

A: FUNDS FOR THE FIRST THREE PROGRAMS WILL BE INCLUDED IN LIMITED OFFICIAL USE

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THE FY 1980 BUDGET REQUEST. THE NEW PREFERENCE POLICY ON EX-IM FINANCING BECOMES EFFECTIVE IMMEDIATELY.

Q: WILL THIS REPRESENT AN INCREASE IN OUR LEVEL OF TECHNICAL ASSISTANCE TO THE IAEA?

A: THESE WILL BE IN ADDITION TO OUR EXISTING ASSISTANCE PROGRAMS. WHILE IT IS DIFFICULT NOW TO PREDICT THE OUT-COME OF THE CONGRESSIONAL AND BUDGETARY PROCESS, THE US INTENDS THAT THESE NEW FUNDS WILL BE OVER AND ABOVE THE PAST AND CURRENT LEVELS OF US TECHNICAL ASSISTANCE.

Q: WILL THE US RETAIN CONTROL OVER THIS ASSISTANCE THAT IS DISPENSED THROUGH THE IAEA?

A: IN GENERAL ONLY TO THE EXTENT THAT SUCH ASSISTANCE MAY BE DESIGNATED FOR NPT PARTIES. ANY EXCEPTION TO THIS RULE WOULD HAVE TO BE APPROVED BY THE US. OF COURSE, WHERE APPLICABLE, RECIPIENT STATES WILL HAVE TO MEET ANY NECESSARY US LICENSING OR REGULATORY REQUIREMENTS.

Q: WHY IS THERE NO NPT PREFERENCE FOR PROPOSAL NUMBER 3?

A: BECAUSE ALL COUNTRIES -- OURSELVES INCLUDED -- WILL BE MORE SECURE IF THE USE OF HEU IS RESTRICTED, WE FELT IT WAS IN OUR NON-PROLIFERATION INTERESTS TO STRUCTURE THE PROPOSAL IN A WAY THAT DIDN'T EXCLUDE NON-NPT PARTIES. THIS IS NOT TO IMPLY THAT FACTORS SUCH AS A COUNTRY'S NPT STATUS WON'T STILL CARRY SOME WEIGHT IN CERTAIN SITUATIONS.

Q: DO THE "FUEL CYCLE" SERVICES IN NUMBER 3 INCLUDE REPROCESSING?

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A: NO.

Q: DOES THE POLICY ON EX-IM FINANCING AFFECT ANY EXISTING PROJECTS?

A: NO, IT REFERS TO NEW APPLICATIONS ONLY.

Q. WILL EX-IM AUTOMATICALLY TURN DOWN NON-NPT PARTIES?

A: NO, OUR FINANCING IN THE NUCLEAR AREA WILL BE AVAILABLE TO ALL COUNTRIES WHICH WE ASSIST THROUGH AN "AGREEMENT FOR COOPERATION" IN THE NUCLEAR FIELD. HOWEVER, (BEGIN UNDERLINE) PREFERENCE (END UNDERLINE) IS TO BE GIVEN TO NPT PARTIES.

Q: DOES THE EX-IM POLICY ALSO APPLY TO GUARANTEES?

A: YES.

5. FOR USIAEA VIENNA: IF MISSION HAS NOT ALREADY DONE SO, PLEASE FORMALLY INFORM IAEA OF THE CONTENTS OF THIS INITIATIVE. WE BELIEVE BOARD OF GOVERNORS MEETING ON JUNE 15 WOULD BE AN APPROPRIATE FORUM IN WHICH TO ANNOUNCE PROPOSAL. CHRISTOPHER

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